

STATE OF UTAH
OWHLF PRE -DEVELOPMENT APPLICATION

APPLICATION INSTRUCTIONS

IMPORTANT INFORMATION

The State of Utah (State), Division of Community Development (DCD) is pleased to offer the Pre Development Application.

Submit applications to DCD at 324 S. State St. Suite 500, Salt Lake City, Utah 84111.
For inquiries, you may call toll free at 1-877-488-3233.

OBJECTIVES

1. Participate and promote the early development of projects in the under-served areas of the State.
2. Provide pre-development loans for non-profit, for profit and Community Housing Development Organization (CHDO) developers for projects that meet the eligibility guidelines of the OWHLF Allocation Plan, are viable that will be completed in 2 years.

GUIDELINES

1. The total annual allocation of funds to be made available is \$200,000.00 for the year 2004.
2. The maximum loan amount is \$20,000 per project.
3. A 15% set-aside is allocated for CHDO's at a 3% interest rate.
4. No more than 50 % set-aside is allocated for For-Profit developer at a 4% interest rate.
5. A 35% set-aside is allocated for Non-profit developer at a 3% interest rate.
6. The loan is non-recourse and payable in full at close of construction or at the end of the 18 month term on the loan. There is an option for an extension at the discretion of the committees.
7. A borrower in default will be disqualified from being awarded a pre-development loan or any other loan until such time as the original loan is paid in full with all applicable interest.
8. If a borrower defaults on a pre-development loan and then applies for funds on another project, the borrower will be required to pay the pre-development loan with all applicable interest out of the proceeds of the OWHLF term debt (deducted by staff from their developer fee).

MATCH REQUIREMENT

1. The match requirement shall be 2 to 1, with 2 being the trust fund contribution, 1 the match money.
2. Match sources include: Developers' resources, local funding, Federal Home Loan Bank Challenge Grants, or any other source as reviewed and accepted by the Pre-development Committees.

FUNDING USE

1. Land options or escrow accounts related to real estate transactions.
2. Professional fees including legal, permitting, architectural, engineering, environmental studies, appraisal, and loan/grant application packaging.
3. Salary: no more than 25% shall go towards salary provided that the staff time funded by the award is used exclusively for the project being developed.
4. Funds cannot be used for real property acquisition.
5. Other uses as pre-approved by the Olene Walker Housing Loan Fund Board and the staff.

**STATE OF UTAH
2004 PRE-DEVELOPMENT APPLICATION**

REQUIRED DOCUMENTS

This **COMPLETED checklist** must accompany the standard Application Form. Applications lacking this documentation will be considered non-conforming and will not be considered for review.

Please Check Box if enclosed:

☐

1. Submit the following number of 3.5" PC Diskette(s) and Applications (with exhibits) in a 3" binder with tabs and a table of contents.

Submit 1 Application Diskette

Total Binders with Tabs: 2
Total Binder Sets: 2

☐

2. An Executive Summary attached to the front of the Application describing any pertinent information about the project that you feel should be considered in the review.

☐

3. Project proforma if your project is income generating.

☐

4. Status Letter of 2-1 Match Requirement.

☐

5. Resume's of the key staff, organizational chart and narrative of multi/single family project experience.

☐

6. Organizational documents of all the entities involved in the project; (Articles of Incorporation and/or Partnership Agreements).

☐

7. Most recent audited financial statement and a current financial statement.

☐

8. For Non-Profits, a copy of the IRS Determination Letter of Non-Profit Status and a copy of the non-profit's articles or bylaws evidencing that one of its exempt purposes is the providing of low income housing.

☐

9. If a CHDO, provide a designation certificate or letter attesting to the designation from the State or HUD.

Basic Application Input Instructions

1. Moving around in the application: The application is "Protected" to prevent deletion of formulas and text. USE the TAB key to get from one cell to another. You may pass by a cell you think needs to have some data entered, however, these cells will be automatically updated as the application is completed.

2. Enter an "X" [shift+X] into check boxes when applicable or leave blank. Do not enter "No" or "n/a"

X

3. Enter "Yes" or "No" for questions on entry lines. Sample: Is project in a Qualified Census Tract? _____

4. Use NUMBERS, not "one", "two", "third", etc. Also avoid 1st, 5th, etc. Enter dates in "4/10/02" format.

5. **HELP!** If you see a small flag at the top right corner of a cell, move the mouse cursor over the cell for HELP assistance.

X

OR

OR

6. Error Messages appear as: < Rents exceed 60% limit >

7. Pull-down lists are used in certain fields. CLICK on the cell to activate the list feature.

Select County

2004-1

FOR DCD USE ONLY
 APPLICATION RECEIVED
 DATE: _____
 TIME: _____
 BY: _____

STATE OF UTAH
PRE-DEVELOPMENT
APPLICATION FORM

All Information Must be completed or application Will Be Rejected as Non-Conforming

DATE OF APPLICATIONDUE DATES

Multifamily
Projects☐ Jan. 6, 2004☐ April 6, 2004☐ July 6, 2004☐ Oct. 12, 2004PROJECT TYPE (check all that apply)☐ Self Help, HabitatSingle family
Projects☐ Jan. 20, 2004☐ Multi-Family Rental☐ Feb. 17, 2004☐ Special Needs☐ March 23, 2004☐ Rehabilitation☐ April 20, 2004☐ New Construction☐ May 18, 2004☐ Acquisition☐ June 22, 2004☐ July 20, 2004☐ August 24, 2004☐ Sept. 21, 2004☐ Nov. 30, 2004PROJECT NAME AND ADDRESS☐ Oct. 21, 2004☐ Dec. 28, 2004

Name _____

Address _____

City _____

State _____

Utah

Zip _____

County _____

Census Tract _____

Project Located in a Metropolitan Statistical Area? _____

Qualified Census Tract? _____

HUD Hard-to-Develop Area? _____

Rural Area? _____

Fed. Congressional Dist: _____

State Senate Dist: _____

State House District: _____

Pertinent Criteria and Project Type - Consolidated Plan Compliance (check all that apply)

☐ Housing that remains affordable for the greatest number of years as guaranteed through a deed restriction☐ Rehabilitating existing housing☐ Increasing housing in rural & underserved areas☐ Homeownership Opportunities☐ Provide affordable housing to special needs population including☐ Projects with low income rental units and market rate units☐ Housing for 0-65% Area Median Income☐ Leveraging of OW funds with other funding

Organizational Information

APPLICANT INFORMATION (GENERAL PARTNER/SPONSOR OF PROJECT)

Applicant Type Non-Profit ____ CHDO ____ For Profit ____ Housing Authority ____
Name _____ a _____ State _____ Type _____
Address _____
City _____ State _____ Zip _____
Contact Person _____ Email _____
Title _____
Telephone _____ Fax Number _____

PROJECT OWNER INFORMATION

Name _____ a _____ State _____ Type _____
Federal Identification Number _____ Date Formed _____
Address _____
City _____ State _____ Zip _____
Signatory _____ Title _____

Name of General Partner(s)/Officers

| | | |
|-------|------------|-------------------|
| _____ | Tel. _____ | Ownership _____ % |
| _____ | Tel. _____ | Ownership _____ % |
| _____ | Tel. _____ | Ownership _____ % |

Previous participation of General Partner or Applicant

| Project Name and Location | State | Date of Application | Status of Project |
|---------------------------|-------|---------------------|-------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Development Team Information

Please submit information on each member of the development team which lists qualification, address and telephone number.

Developer _____
General Partner _____
Contractor _____
Management Company _____
Sponsoring Organization _____
Consultant _____
Tax Attorney _____
Tax Accountant _____

ARE ANY DEVELOPMENT TEAM MEMBERS ON THE HUD DEBARRED AND SUSPENDED LIST? _____

List any direct or indirect, financial or other interest a member of the development team may have with another member of the development team. (Enter "None" if there are no identities of interest.)

Project Information (as available)

Total Number of Low-income Units 0 Total Number of Units 0

Percent of Units that are Low-income Percent of Floor Area Low-income

New _____ Building Characteristics

Rehabilitation _____ ☐ Elevator ☐ # of building w/apts.

Building Type _____ Number of Floors ☐ # of parking stalls

_____ No. underground Parking stalls

TARGETED HOUSEHOLDS

☐ Homeless ☐ Farmworkers

☐ Elderly ☐ Native People

☐ Special Needs ☐ 1st. Time Home Buyer

PROPOSED USE OF FUNDS

☐ Appraisal ☐ Environmental ☐ Capital Needs Assmt

☐ Architect Design ☐ Soil Study ☐ Market Study

☐ Land Option ☐ Legal Fees ☐ Technical Assistance

Do units contain bathroom and kitchen facilities? _____

Special Needs Targeting of Affordable Set Aside Units

☐ Set-aside Units: _____
List special features/services to be provided: _____
Service Provider: _____

☐ Housing for individuals with children

☐ Set-aside Units: _____
Service provider: _____

☐ Homeless/near homeless transitional
Service provider: _____

☐ Large family (3 Bedrooms or more)
Number of Units: _____

☐ Wheelchair units

Set-aside Units: _____
List ADA special features below: _____

☐ Project will enter into a Memorandum of Understanding with the Local PHA to accept qualified Sec 8 tenants

Amenities and Building Information

Accessory Buildings: _____ Area: _____ - SqFt

Recreation Facilities: _____ Fees: _____ -

Commercial/Public Facilities: _____ Area: _____ - SqFt

☐ Tot-Lot ☐ *Day-care ☐ *Education ☐ *Clubhouse ☐ *Covered Parking

☐ Comm. Facility ☐ Bike Trails, etc. ☐ Wash/Dryer Con. ☐ Other _____ No. of covered stalls: _____

☐ Air Conditioning ☐ On-site storage (not balcony or in apt.) _____ Parking Spaces No. fee covered parking: _____

Gross floor area: 0
(sq. ft.)

Residential floor area: 0
(sq. ft.)

Building common area: _____
(sq. ft.)

Commercial floor area: 0
(sq. ft.)

Type: _____

Site Information

(Check only ONE box)

Provide the following, if available:

| | | | | |
|---|--|-----|--------------------------|------------|
| Is there a current appraisal for the site? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Is there a current title report for the site? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Is a complete comprehensive Market Study Attached? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Is the required rehabilitation Capital Needs Assessment attached? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| HUD Environmental Review completed and attached | <input type="checkbox"/> | Yes | <input type="checkbox"/> | Don't know |
| | <input type="checkbox"/> | No | | |
| May this project involve relocation of tenants? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | Don't know |
| | <input type="checkbox"/> | No | | |
| Are all parcels for proposed site under control? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| If yes, what form: | Contract, Agreement or Option <input type="checkbox"/> | | Expiration date: _____ | |
| | Deed <input type="checkbox"/> | | | |
| Will land be contributed by owner? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Are all utilities presently available on site? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

Proposed Source of Funds (Permanent Financing)

| Financing Source | Loan Amount | Annual Debt Service | Rate of Interest(8.5 etc.) | Term (mos.) | Amort. Period (mos.) | |
|-----------------------|---------------------------------|---------------------|----------------------------|-------------------------|----------------------|--|
| | | | | | | Cash flow/Zero Pay Enter Zero |
| Debt Financing | | | | | | |
| 1 | <u>OWHLF</u> | \$ - | \$ - | | | |
| 2 | | \$ - | \$ - | | | |
| 3 | | \$ - | \$ - | | | |
| 4 | | \$ - | \$ - | | | |
| 5 | Deferred Developer's Fee | \$ - | \$ - | | | |
| 6 | #REF! HOME | #REF! | \$ - | | | |
| 7 | #REF! " | #REF! | \$ - | | | |
| 8 | #REF! " | #REF! | \$ - | | | |
| 9 | #REF! " | #REF! | \$ - | | | |
| 10 | #REF! " | #REF! | \$ - | | | |
| Equity | | | | | | |
| 1 | | - | | | | Financing Comments: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |
| 2 | | | | | | |
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| Grants | | | | | | |
| 1 | | \$ - | | | | Financing Comments: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |
| 2 | | \$ - | | | | |
| 3 | | \$ - | | | | |
| 4 | | \$ - | | | | |
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| | | | | | | |
| #REF! | | | \$0 | Sources-Uses GAP: #REF! | | |

| Proposed Contractual Rent Targeting Analysis (not applicable for owner occupied) | |
|--|--|
|--|--|

Project Rents (Note: actual rents plus the amount of utilities paid by tenants cannot exceed low-income rent levels.

| List the applicable County Low-Income Rents from the attached schedule. | | | SRO <i>Bedrooms</i> | | | | | |
|--|--|---------------------|---------------------|---|---|---|---|---|
| | | | Studio | 1 | 2 | 3 | 4 | 5 |
| 50% of AMI Maximum Limit | | Including Utilities | | | | | | |
| 60% of AMI Maximum Limit | | Including Utilities | | | | | | |

PROJECTED PROFORMA - Low-Income Units Only

List the estimated monthly income for the low-income units.

Total low-income units:

| Unit Type | Total Bathrooms | | AMI | Monthly base rent | Total Monthly Base | Average |
|------------|------------------------|------------------------|--------|-------------------|--------------------|------------------|
| SRO/Studio | .25/.75/1 or multiples | Number of Units | Target | per unit | rent by unit type | Sq. Ft. per Unit |
| | | | | | | |
| | | | | | | |
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| | | | | | | |
| | | | | | | |
| | | Other income per unit: | | | Sq.Ft. | |

AMI=
DCR=
Cash Flow=
Inc. Score:

Total low-income rents:

Less Vacancy %

Total Monthly Income:

Enter the estimated annual percentage increase in annual income %

PROJECTED PROFORMA - Market-Rate Units Only

List the estimated monthly income for the market-rate units.

Total market-rate units:

| Unit Type | Total Bathrooms | | Monthly base rent | Total Monthly Base | Average |
|------------|------------------------|------------------------|-------------------|--------------------|------------------|
| SRO/Studio | .25/.75/1 or multiples | Number of Units | per unit | rent by unit type | Sq. Ft. per Unit |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | Other income per unit: | | Sq.Ft. | |

Total market rents:

Less Vacancy %

Total Monthly Income:

Enter the estimated annual percentage increase in annual income %

In projects with 5 or more OWHLF assisted units, at least 20% of the OWHLF assisted rental units must be occupied by families who have annual incomes that are 50% or less of median income. These very-low-income tenants must occupy units at or below the LOW HOME Rent Level.

Projects with fewer than 5 OWHLF assisted units can occupy the HIGH HOME rent units and do not have to limit occupancy to tenants at 50% or below of the area median income.

Existing Subsidies with Acquisition Projects:

Section 221(d)(3) BMIR

Section 236

☐ Section 8 Rent Supplement or Assistance

Is HUD Approval for Transfer of Physical Assets Required?

☐ Yes

No

Does HAP contract allow for annual increases?

☐ Yes☐ No

HAP expiration date:

Renewal Period: yrs.

Preliminary Project Costs

| | | |
|---|-----------|---|
| Purchase Land and Buildings | | |
| Demolition | | |
| | Sub-total | 0 |
| Site Work | Sub-total | 0 |
| Rehab or New Construction | Sub-total | |
| Construction / Contingency | Sub-total | |
| Architectural and Engineering Fees | | |
| Architect Fee-Design/Supervision | | |
| Geotechnical Report | | |
| | Sub-total | |
| Profit and Overhead | Sub-total | |
| Interim Financing Expenses | | |
| Construction Casualty Insurance | | |
| Construction Interest | | |
| Construction Loan Fee | | |
| Construction Appraisal | | |
| Closing, Title & Recording | | |
| Const. Legal Fees | | |
| Construction Period Real Estate Taxes | | |
| Physical Needs Assessment | | |
| Survey | | |
| Interim Proration Schedule of Expenses | Sub-total | |
| Permanent Financing Expenses | | |
| Loan Origination Fee | | 0 |
| Loan Credit Enhancement | | 0 |
| Permanent Proration Schedule of Expenses | | 0 |
| Permanent Financing Legal Fees | | 0 |
| Closing, Title & Recording | Sub-total | 0 |
| Soft Cost | | |
| Feasibility Study | | |
| Market Study | | |
| Initial Tax Credit Monitoring Fee | | |
| Consultants or Processing Agent | | |
| Environmental Study | Total | |
| Syndication Costs | | |
| Organization (Partnership) | | |
| Bridge Loan Fees and Expenses | | |
| Tax Opinion | | |
| Accounting/Audit | | |
| | Total | 0 |
| Project Reserves | | |
| Rent-Up Reserve | | |
| Operating Deficit Reserve | | |
| Reserves for Replacement | | |
| | Total | 0 |
| Total Project Cost | | |

Note: Total Project Cost must equal total Source of Funds

Proposed Annual Expense Information (as applicable)

I. Administrative

1 Advertising _____
 2 Management _____
 3 Legal _____
 4 Partnership _____
 5 Accounting/Audit _____
 6 City Bus. License Fee _____
 Total Administrative Cost: _____

II. Maintenance

1 Interior Maint. _____
 2 Int/Ext. Repairs _____
 3 Exterminating _____
 4 Landscaping _____
 5 Paving/Grounds _____
 6 Other _____

Total Maintenance Cost: _____

III. Operating Costs

1 Elevator _____
 2 Electric (Common Area) _____
 3 Gas (Common Area) _____
 4 Water/Sewer _____
 5 Trash Removal _____
 6 Payroll _____
 Management Salaries _____
 Office/Accounting _____
 Salaries (Other) _____
 7 Payroll Taxes _____
 8 Property Insurance _____
 9 Snow Removal _____
 Other _____
 Total Operating Costs: _____

Typical Tenant Paid Utilities
Paid by Project Owner

Total Expenses: _____

IV. Real Estate Taxes

TOTAL ANNUAL OPERATING EXPENSES: _____

Replacement Reserve/Unit: _____

Total Annual Capital Replacement Reserve: _____

Percentage increase in annual expenses _____ %

Expenses w/o Reserves or Util: _____ / unit

HOW WERE EXPENSES AND RESERVES DETERMINED? _____

INCOME ANALYSIS SUMMARY

Gross scheduled rents _____
 Other Income _____
 Operating Subsidies - Specify* [RD 515 or Sec 8 HAP](#) _____
 Less vacancy _____
 Total Operating Income _____
 Less Operating Expenses _____
 Less annual Capital Replacement Reserves _____
 Net Operating Income _____
 Less Annual Debt Service _____
 NOI Before Taxes _____

Net Income per Unit: _____

Debt Service Coverage Ratio: _____

* Operating Subsidies include Rural Development Service 515, HUD 236, 221(d)(3), etc.

Project Development Schedule

| ACTIVITY | | Scheduled Date mm/DD/yy |
|----------------------------------|------------------------|----------------------------|
| A. Site | Option/Contract | |
| | Site Analysis | |
| | Site Acquisition | |
| | Zoning FINAL Approval | |
| | | |
| B. Financing | | |
| 1. Construction Loan | | |
| | Application | |
| | Conditional Commitment | |
| | Firm Commitment | |
| 2. Permanent Loan | | |
| | Application | |
| | Conditional Commitment | |
| | Firm Commitment | |
| 3. Other Sources of Funds | | |
| | Type & Source | |
| | Application | |
| | Award | |
| | Type & Source | |
| | Application | |
| | Award | |
| | Type & Source | |
| | Application | |
| | Award | |
| C. Plans and Specs | | |
| | Working Drawings | |
| D. Closing/Site Transfer | | |
| E. Construction Begins | | |
| F. Occupancy Certificate | | |
| G. Lease-Up or Sale | | |
| H. Placed in Service Date | | |

Certifications and Representations:

The undersigned is responsible for ensuring that the project consists or will consist of a building or buildings that will satisfy all applicable requirements of federal and state law in the acquisition, rehabilitation or construction and operation of the project.

The undersigned authorizes the State, DCED, DCD to disclose or provide copies of this application, as may be amended, or copies of any allocation agreement or Forms 8609 issued with respect to the proposed project to the Rural Development Service, Department of Community and Economic Development and other government funding sources, including the Department of Housing and Urban Development as necessary to comply with state or federal law on the review of financial assistance provided to the project. I have read the minimum "Required Documentation Checklist", and understand that applications lacking the listed documents will be considered non-conforming and returned without consideration.

The undersigned hereby makes Application to the State of Utah (State), Department of Community and Economic Development (DCED), Division of Community Development (DCD).

The applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining financial assistance under the applicable programs(s) and is true and complete to the best of applicant's knowledge and belief. The applicant understands and agrees that if false information is provided in this application, the State of Utah, Department of Economic Development may hold the applicant ineligible to apply for any program funds for a period of 1 year or until any issue of restitution is resolved and may terminate the applicant's contract and recapture all funds expended. The applicant will not, in the provision of services, or in any other manner, discriminate against any person on the basis of race, color, creed, religion, sex, national origin, age, familial status or handicap. Verification of any of the information contained in this application may be obtained from any source named herein.

The applicant will at all times indemnify and hold harmless the State of Utah, or its agencies against all losses, costs, damages, expenses, and liabilities whatsoever (including, but not limited to attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment, directly or indirectly resulting from, arising out of, or related to acceptance, consideration and approval or disapproval of such allocation request) of any nature directly or indirectly resulting from, arising out of or relating to the State acceptance, consideration, approval, or disapproval of this request and the issuance or non-issuance of program funds herewith. In accepting this loan, the applicant will pay property taxes, property insurance and keep liens off property as long as the loan is in place.

WARNING: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency or the U.S. as to any matter within its jurisdiction. The information provided above is true and complete to the best of my/our knowledge and belief. I/ We consent to the disclosure of such information for purposes of income and verification related to my/our application for financial assistance. I/We understand that any willful misstatement of material fact will be grounds for disqualification.

The undersigned, being duly authorized, hereby represents and certifies that the foregoing information, to the best of his/her knowledge, is true, complete and accurately describes the proposed project.

IN WITNESS WHEREOF, the owner has caused this document to be duly executed in its name on _____

Legal Name of Owner

By:

Name

Signature

Title